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March 12, 2008

TO: Each Supervisor

FROM: Philip L. Browning, Director

SUBJECT: BOARD OF SUPERVISORS: MOTION ON DEVELOPMENT OF
COMPREHENSIVE PROGRAM TO IDENTIFY, PROSECUTE AND
PREVENT FOOD STAMP TRAFFICKING IN LOS ANGELES COUNTY
(BOARD ORDER #61-A-DECEMBER 12, 2006)

This is to provide the fifth update in response to the above motion directing DPSS, in consultation with the District Attorney (DA) and the Countywide Criminal Justice Coordination Committee (CCJCC), to report on the development of a comprehensive program to identify, prosecute and prevent food stamp trafficking in Los Angeles County.

On January 17, 2007, DPSS along with representatives from the DA, met with senior managers from USDA/OIG to discuss what could be done to deter and investigate food stamp trafficking. Although OIG is responsible for the identification, investigation, and prevention of trafficking by merchants, they did agree to forward some referrals to the DA.

The DA entered into an agreement with CDSS to obtain Electronic Benefit Transfer (EBT) cards to use in the investigation of food stamp trafficking. Undercover DA investigators, in turn, sold the EBT cards each containing \$400 in benefits for \$225 each to a market owner in Long Beach. The retailer referral was provided by USDA/OIG. Further investigation by the DA revealed trafficking by this retailer of an additional \$23,000 in food stamp benefits over the previous 2 to 3 months. The market owner and the store manager were arrested and charged with grand theft and welfare fraud totaling approximately \$25,000. The case is currently pending in criminal court.

The DA has concluded its pilot and based on the results of the food stamp trafficking investigation outlined above, determined that future referrals from USDA/OIG for assistance in investigating merchant food stamp trafficking will be evaluated on a case by case basis. The DA and DPSS will continue to work with USDA/OIG staff where appropriate.

PLB:mh

c: Chief Executive Officer
Deputy Chief Executive Officer
District Attorney
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